



- A. Section J, Attachment 2, Statement of Objectives Nos. 28, 29 and 31 are deleted and moved to L2.34.100 and M28.100. The full text of the revised Statement of Objectives is listed below:

### Statement of Objectives

#### Background

The Defense Energy Support Center (DESC) is using a Statement of Objectives (SOO) for this acquisition in lieu of a DESC-written performance work statement (PWS). The intent in using a SOO is to provide maximum flexibility to each offeror to propose an innovative development approach. Rather than the "how to" instructions normally contained in a Government-written PWS, the SOO instead provides the basic, broad, high-level objectives of the acquisition. By eliminating these "how to" instructions, DESC intends to assess the offeror's understanding of all aspects of the effort to be performed. Offerors are expected to use the solicitation and the SOO as a basis for preparing their proposals, including a Work Breakdown Structure (WBS) to level three,<sup>1</sup> PWS, Performance Requirements Summary (PRS)<sup>2</sup> and Quality Assurance Surveillance Plan (QASP)<sup>3</sup>. The SOO will be replaced at contract award by the successful offeror's WBS, PWS, PRS, and QASP.

There is a great deal of information available on the Internet regarding performance-based service acquisitions and contracts, including descriptions of the various documents described above (WBS, PWS, PRS, QASP), development of these documents, and how they will be utilized during contract performance. DESC does not in any endorse any of these sites or the information contained on them, and does not require that offeror's review or use the information available on these sites. The links are provided solely for informational purposes:

<http://www.knownet.hhs.gov/acquisition/pbc.htm>

<http://www.arnet.gov/Library/OFPP/BestPractices/pbsc/home.html>

<http://www.arnet.gov/Library/OFPP/BestPractices/PPBSC/BestPPBSC.html>

<http://www.whitehouse.gov/omb/procurement/0703pbsat.pdf>

<http://www.dau.mil/pbsa/>

<http://ec.msfc.nasa.gov/hq/library/perfba.htm>

<http://www.acq.osd.mil/dpap/Docs/pbsaguide010201.pdf>

<sup>1</sup> The Work Breakdown Structure is a basic framework, similar to a table of contents, which outlines, divides, and subdivides to successively lower levels, the contractual requirements as set forth in the PWS. Level 1 is the summary level contract effort. Level 2 is the primary tasks, milestones and deliverables. Level 3 is the sub-tasks. The WBS provides the proper foundation for planning, analyzing, costing and managing the project. Simultaneously it provides a convenient checklist to trace all the necessary elements of the project or program.

<sup>2</sup> The Performance Requirements Summary summarizes the tasks the contractor must perform, provides standards and acceptable quality levels for those tasks, the surveillance method the government will use to monitor those tasks, and the incentives. One of the more common presentation formats, provided for information purposes only, is a matrix as seen below:

Performance Requirements Summary (PRS)						
Task or Deliverable	Performance Indicator	Performance Standard	Acceptable Quality Level (AQL)	Surveillance Method	Positive Incentive	Negative Incentive

<sup>3</sup> The Quality Assurance Surveillance Plan is used to make sure that systematic quality assurance methods are used in administration of the contract. It details how and when the Government will survey, observe, test, sample, evaluate, and document contractor performance according to the PWS. The Government's QASP and the contractor's Quality Control Plan work together to ensure project performance standards are met.

**Program Objective**

The objective of the Aviation Into-plane Reimbursement Card (AIR Card) and Ships' Bunkers Easy Acquisition Card (SEA Card) program is to procure commercial, state of the art, affordable, high performance, flexible, easy to use credit card processing and support for the Defense Energy Support Center (DESC) and its customers of aviation and bunker fuel and ancillary services, with maximum acceptability at commercial airports and seaports and military installations worldwide.

**Management Objective**

The management objective is to (1) provide the offeror maximum flexibility to innovatively manage the cost, schedule, performance, risks, and data required to provide commercial, state of the art, affordable, high performance, flexible and easy to use credit card processing and support that satisfies DESC's and its customers' requirements; and (2) maintain clear government visibility into cost, schedule, performance, risk, and data.

**Contract Objectives**

A successful proposal submitted under this SOO will provide, as a minimum:

1. A commercial electronic solution using commercially available infrastructure, including provision and distribution of credit cards for use in electronic point of sale (e-POS) devices at the refueling point.
2. Worldwide card acceptance at commercial airports and seaports with ability to sort DESC contracted purchases from commercial non-contract purchases.
3. Split billing functionality. Fuel card processor(s) must send fuel transactions and card file and billing table information to DESC, including, at a minimum, Department of Defense Address Activity Code (DoDAAC), Fund Code, Signal Code, Organization (ORG) Code/Job Order Number (JONO)/Account Processing Code (APC), and Supplemental DoDAAC (if applicable); non-fuel transactions must also be routed to the Accountable Official responsible for the charges.
4. Consolidated tax reporting requirements:
  - a. Domestic – Separate invoicing for federal and state taxes. Maintain records of Government exempt taxes, advise merchants of tax exemptions, and return invoices upon receipt of exempt tax transactions.
  - b. Overseas – For locations where no DESC contract is in place, preference is for up front exemptions versus seeking refunds.
5. No cost card acceptance at Military Installations.
6. Electronic Transactional Data Capture mechanism for the procurement of aviation and/or bunker fuel (AIR and SEA card) transactions. Transmission of files in a secure environment as outlined in the DoD Orange Book, individually reported to DESC. No roll up of transactions. File format must be included. Must use ANSI - X12 format with file migration to XML as the Government converts its format.
7. Interface electronically with DESC Fuels Automated System (FAS). Maintain pace and compatibility with Government software modifications or updates.
8. Capability to provide electronic invoices in various formats; i.e., ANSI-X12; flat files; XML, etc., for fuel and non-fuel purchases as requested.
9. DELETED IN ENTIRETY FROM ORIGINALLY ISSUED VERSION.
10. DELETED IN ENTIRETY FROM ORIGINALLY ISSUED VERSION.
11. Provide and transmit Level III data for each transaction. DESC will provide data requirements.
12. Payment of local purchases. Credit Card Processor (CCP) shall pay the vendor directly and electronically forward transaction data to DESC. Subsequently, the CCP shall electronically bill DESC. Transactions should be listed individually with Level III tax data identified separately.
13. Payment of contract purchases. DESC is responsible for paying contractor. The CCP shall electronically forward all contract purchase transaction data to DESC on a daily basis.
14. Provide 24/7 Help Desk staffed to adequately handle customer volume with little or no waiting, assist customers with prearrangements, card refusal situations, location information, etc.
15. Maintain historical transactional data for three years after the final payment (applies to all financial transactions). In addition, on a weekly basis, mail all received ticket receipts to: DEFENSE FINANCE AND ACCOUNTING SERVICE ATTN: DFAS-BVDFI/CC PO BOX 182317 COLUMBUS OH 43218-6251.

16. Maintain ability to conduct occasional pre-payments to fuel suppliers.
17. Maintain electronic and offline process to include an uninterrupted backup system.
18. Maintain card user records to include customer point of contact, accountable official, Military Standard Billing System (MILSBILS) attributes, and physical addresses. Accommodate and track changes or deletions of all data including maintenance of history file.
19. Ability to process for payment Foreign Government Fuel Invoices and State Department – Embassies Fuel Invoices.
20. Enroll and maintain the customer database, 1122 Program Fuel Invoices accommodation, Federal Civilians Fuel Invoices, and track purchases through reports.
21. Meet all DoD security requirements for personnel and data.
22. Record all transactions by actual lift date of transactions.
23. Ability to record transactions for Tanker Transports, into-truck, into-bladder, and other temporary fuel operations.
24. Ability to accept any rejected transactions and reprocess the following day.
25. Aggressively pursue acceptance agreements for maximum coverage, both routine and on a contingency basis.
26. Obtain and pass on any negotiated fuel discounts or savings obtained below the airport/port suppliers' offered price. Provide report of savings each quarter.
27. Capability to provide multiple date values, including posting date and transaction date.
28. DELETED AND MOVED TO L2.34.100 AND M28.100.
29. DELETED AND MOVED TO L2.34.100 AND M28.100.
30. Provide a combined proposal for a single fuel card solution or separately address the SEA Card or AIR Card. Offerors may propose on one or both programs.
31. DELETED AND MOVED TO L2.34.100 AND M28.100.

B. Solicitation Clause L2.34.100 is revised and provided in full text:

**L2.34.100 PROPOSAL FORMAT AND CONTENT (DESC APR 2004)**

Proposals shall be submitted in three sections clearly labeled **Executive Summary**, **Price Proposal** and **Technical Proposal**.

**(a) Volume I, Executive Summary**

In the executive summary volume, the offeror shall provide the following information:

**(1) Narrative Summary**

A concise narrative summary of the entire proposal, including significant risks, and a highlight of any key or unique features, excluding cost/price. The salient features should tie in with Section M evaluation factors. Any summary material presented here shall not be considered as meeting the requirements for any portions of other volumes of the proposal.

**(2) Table of Contents**

A master table of contents of the entire proposal.

**(3) Map Back**

A document mapping the Work Breakdown Schedule (WBS), Performance Work Statement (PWS), Performance Requirements Summary (PRS) and Quality Assurance Surveillance Plan to the Statement of Objectives (SOO). The map assists evaluation of the technical proposal by cross referencing where each SOO objective is addressed in the WBS, PWS, PRS and QASP.

**(b) Volume II, Technical Proposal**

Offerors shall submit an original and six copies of the Technical Proposal, of no more than 75 pages, excluding résumés and equipment sale/lease agreements.

The Statement of Objectives (SOO), included as Attachment 2 to the RFP, provides the Government's overall objectives for this solicitation, and the required support to achieve those objectives. The offeror shall use the SOO, together with applicable portions of this RFP, as the basis for preparing their proposal, including the Work Breakdown Structure (WBS) (to level three), Performance Work Statement (PWS), Performance Requirements Summary (PRS), and Quality Assurance Surveillance Plan (QASP). The specific efforts defined in the PWS shall be structured according to the Work Breakdown Structure (WBS) and traceable to the SOO. The WBS, PWS, PRS, and QASP shall be submitted as part of the proposal and will become part of or attachments to the contract at award.

The offeror shall ensure all aspects and objectives of the SOO are addressed. The PWS should specify in clear, detailed, and understandable terms the work to be done in developing and providing the services to be performed by the contractor. Preparation of an effective PWS requires both the understanding of the services that are needed to satisfy a particular requirement and an ability to define what is required in specific, performance based, quantitative terms. The offeror's understanding of both required services and the work effort they are required to accomplish should be fully demonstrated in the offeror's proposed WBS, PWS, PRS, and QASP. Offerors must also identify any technical, schedule, performance, or cost risks associated with their proposals, and describe how they will resolve or avoid the identified risks. Proposals that are unrealistic in terms of technical commitments may be considered indicative of a lack of understanding of the solicitation requirements and receive a lower rating or be rejected.

Any proposed positive (reward) or negative (penalty) incentives should be addressed, at a minimum, in the PWS and PRS. Any proposed positive incentives should be non-monetary. Negative incentives should be monetary. Offerors are not required to propose incentives, either negative or positive, for each objective.

**(c) Volume III, Price Proposal**

Offerors shall submit an original and two copies of the Price Proposal. The Price Proposal must include the completed B34.01 SERVICES TO BE FURNISHED AND PRICES (DESC FEB 1991) clause, a detailed cost breakdown of the services to be furnished, and completed fill-in clauses from the Offeror Submission Package. The detailed cost breakdown shall be mapped back to the Statement of Objectives (SOOs) to ensure that all SOOs have been addressed. If the offeror takes any exception to the terms and conditions of the solicitation, the offeror shall indicate the specific excepted paragraphs and submit the exceptions as part of the Price Proposal. Only detailed exceptions will be considered exceptions to the requirements of the solicitation.

Any proposed positive (reward) or negative (penalty) incentives should be addressed in the detailed cost breakdown, and also mapped back to the SOO objectives. Any proposed positive incentives should be non-monetary. Negative incentives should be monetary. Offerors are not required to propose incentives, either negative or positive, for each objective.

Information addressing Past Performance and Socioeconomic Subcontracting must be included in the Price Proposal.

For **Past Performance**, the offeror shall list all contracts and subcontracts (completed or in progress) for the last three years, from DESC, from other Government or quasi-Government agencies, or private industry, which are related to the proposed contract. Failure to submit a complete list may reflect adversely on the offeror. The Government has the option to consider information from these and any other available sources that the Government deems necessary in order to make an accurate assessment of the offeror's past performance. The offeror should also provide information on any significant problems encountered and corrective actions taken. The offeror should include the following information for each contract or subcontract:

Name of contracting activity;

Contract number;

Contract type and dollar value;

Brief description of the work (if the offeror is a large business, include a description of any subcontracting); and

Contracting Officer, Contracting Officer's Representative, Administrative Contracting Officer, and program manager (all that are applicable) with telephone numbers.

For **Socioeconomic Subcontracting**, the offeror should describe the extent of any planned subcontracting with small, small disadvantaged, women-owned small businesses, veteran-owned small, service-disabled veteran-owned small, and HUBZone small businesses, and Historically Black Colleges and Universities and Minority Institutions.

The Government will not consider offers for less than the entire contract period.  
(DESC 52.215-9F97)

C. Solicitation Clause M28.100 is revised and provided in full text:

**M28.100 EVALUATION OF OFFERS (DESC APR 2004)**

(a) **Basis for Contract Award.** The Government will select the best overall offer, based upon an integrated assessment of the Technical Proposal, Past Performance, Socioeconomic Subcontracting, and Price/Cost. This is a best value source selection. Contract(s) may be awarded to the offeror who is deemed responsible in accordance with the Federal Acquisition Regulation (FAR), as supplemented, whose proposal conforms to the solicitation's requirements (to include all stated terms, conditions, representations, certifications, and all other information required by Section L of this solicitation) and is judged, based on the evaluation factors to represent the best value to the Government. The Government seeks to award to the offeror who gives the Government the greatest confidence that it will best meet or exceed the requirements affordably. This may result in an award to a higher rated, higher priced offeror, where the decision is consistent with the evaluation factors and the Source Selection Authority (SSA) reasonably determines that the technical superiority and/or overall business approach and/or superior past performance and/or socioeconomic subcontracting of the higher price offeror outweighs the cost difference. To arrive at a source selection decision, the SSA will integrate the source selection team's evaluations of the evaluation factors (described below). While the Government source selection evaluation team and the SSA will strive for maximum objectivity, the source selection process, by its nature, is subjective and, therefore, professional judgment is implicit throughout the entire process.

(b) **Rejection of Unrealistic Offers.** The Government may reject any proposal that is evaluated to be unrealistic in terms of program commitments, including contract terms and conditions, or unrealistically high or low in cost when compared to Government estimates, such that the proposal is deemed to reflect an inherent lack of competence or failure to comprehend the complexity and risks of the program.

(c) **Evaluation Factors and their Relative Order of Importance.** Award will be made to the offeror proposing the combination most advantageous to the Government based upon an integrated assessment of the evaluation factors described below. The evaluation factors are listed below in order of importance.

Factor 1: Technical Proposal

Factor 2: Price/Cost

Factor 3: Past Performance

Factor 4: Socioeconomic Subcontracting.

The technical proposal is more important than price/cost. Price/cost is more important than past performance and socioeconomic commitment, both separately and when past performance and socioeconomic commitment are combined. Past performance and socioeconomic subcontracting are equal to each other in importance. However, all non-price evaluation factors (technical proposal, past performance and socioeconomic commitment), when combined, are more important than price.

(d) **Importance of Cost/Price.** In accordance with FAR 15.304(e), the evaluation factors other than cost or price, when combined, are significantly more important than cost or price; however, cost/price will contribute substantially to the selection decision. The realism of proposed prices will be considered as a reflection of the offeror's understanding of the requirements and objectives of the solicitation. A proposed price that is considered by the Government to be unrealistic for accomplishing the proposed technical approach may constitute a potential performance risk.

(e) **Factor Rating.** The Government will assign one of the following adjectival ratings to the Technical Proposal, Past Performance and Socioeconomic Subcontracting factors: Exceptional; Very Good; Satisfactory; Marginal and Unsatisfactory, based on pre-established standards. Proposals may be rated differently within each category, i.e., two proposals may receive an exceptional rating, but one may be more exceptional than the other.

(f) **Technical Proposal Factor.** The technical proposal factor evaluates the effectiveness and efficiency of the proposed solution in meeting the SOO goals and objectives. It assesses the offeror's understanding of all aspects of the effort to be performed and the likelihood of success in meeting the Government's stated objectives. It also addresses the likelihood of successful performance. Additional evaluation credit may be given to proposals that:

Offer a single solution for both the SEA and AIR card;

Offer innovative commercial approaches without Government Furnished Equipment (GFE) while satisfying the requirements of the SOO.

In order to avoid proposal deficiencies, offerors shall ensure that their technical proposal is comprehensive and organized correctly by including the required technical proposal elements listed in the Statement of Objectives and PROPOSAL FORMAT AND CONTENT provision, that is the Work Breakdown Structure (WBS) (to level 3), Performance Work Statement (PWS), Performance Requirements Summary (PRS), and Quality Assurance Surveillance Plan (QASP).

(g) **Cost or Price Factor.**

(1) The offeror's cost/price proposal will be evaluated by computing the total cost to the Government for the initial three-year performance period plus five one-year option periods.

(2) The Government may make award to other than the lowest priced offeror; however, the Government will not pay a premium that it considers disproportionate to the benefits associated with the technical proposal, past performance, and socioeconomic subcontracting. Evaluation of options shall not obligate the Government to exercise such options.

(3) The offeror's cost/price proposal will be evaluated, using one or more of the techniques defined in FAR 15.404, in order to determine if it is reasonable and realistic.

(h) **Past Performance Factor.** The past performance factor evaluates the offeror's present and past work record to assess the Government's confidence in the offeror's probability of successfully performing as proposed. The evaluation will be based on information in the offeror's proposal and information obtained from other sources, including past and present customers and their employees, other subcontractors, and any others who may have useful information. Offerors without a record of relevant past performance or for whom information on past performance is not available will not be evaluated favorably or unfavorably on past performance and, as a result, will receive a "Neutral/Unknown" rating for the Past Performance factor. A record of acceptable past performance will not result in a favorable assessment of an otherwise unacceptable proposal.

(i) **Socioeconomic Contracting Factor.** The socioeconomic subcontracting factor evaluates the offeror's commitment to subcontracting with small, small disadvantaged and women-owned small businesses, veteran-owned small, service-disabled veteran-owned small, and HUBZone small businesses, and Historically Black Colleges and Universities and Minority Institutions.

(j) **Best Value Determination.** After the non-price ratings are determined, a series of paired comparisons will be made between competing offerors. In making these paired comparisons, the Government will determine the difference in the technical proposal, price, past performance, and socioeconomic subcontracting. If, in any paired comparison, one offeror is superior in its technical proposal, equal in past performance and socioeconomic subcontracting, and offers the lowest price, then the Government will consider that offeror to represent the better value. But, if the offeror with the superior technical proposal offers a higher price than the competing offeror with an equal past performance and socioeconomic subcontracting, the Government will decide whether the superior technical proposal merits the higher price. If so, then the Government will consider the offeror with superior technical proposal at a higher price to represent the best value. Otherwise, the Government will consider the competing offeror with the lower price, lower rated technical proposal, and equal performance and socioeconomic subcontracting rating to represent a better value. The Government will continue to make paired comparisons in this manner until it has identified the offeror that represents the best value based on price, the technical proposal, past performance, and socioeconomic commitment. In the event of a tie among all factors and sub-factors between two or more offerors considered to represent the best value, the final award decision shall be made by a drawing limited to those offerors. The drawing shall be witnessed by at least three persons, with the names and addresses of the witnesses and supervising official documented in the contract file.

(DESC 52.209-9F95)

D. Solicitation Clause L74 is hereby incorporated as provided herein in full text:

**L74 TYPE OF CONTRACT (APR 1984)**

The Government contemplates award of a firm fixed price contract resulting from this solicitation.

(FAR 52.216-1)



E. Solicitation Clause B34.01 is revised as provided herein in full text:

**SECTION B – SUPPLIES OR SERVICES AND PRICE/COST**

**B34.01 SERVICES TO BE FURNISHED AND PRICES (DESC FEB 1991)**

The services to be furnished during the period specified herein and the unit prices are as follows:

**Base Year**

**Performance Period: Award Date + 3 Years (1 October 2004 to 30 September 2007)**

Contractor shall comply with all terms and conditions as stated in the performance work statement for the period stated above at a fixed price of:

CLIN	DESCRIPTION	U/I	QTY	UNIT PRICE	EXTENDED PRICE
0001	Credit Card Services	Month	36	\$_____	\$_____

**Option Year I**

**Performance Period: 1 October 2007 to 30 September 2008**

Contractor shall comply with all terms and conditions as stated in the performance work statement for the period stated above at a fixed price of:

CLIN	DESCRIPTION	U/I	QTY	UNIT PRICE	EXTENDED PRICE
0001	Credit Card Services	Month	12	\$_____	\$_____

**Option Year II**

**Performance Period: 1 October 2008 to 30 September 2009**

Contractor shall comply with all terms and conditions as stated in the performance work statement for the period stated above at a fixed price of:

CLIN	DESCRIPTION	U/I	QTY	UNIT PRICE	EXTENDED PRICE
0001	Credit Card Services	Month	12	\$_____	\$_____

**Option Year III**

**Performance Period: 1 October 2009 to 30 September 2010**

Contractor shall comply with all terms and conditions as stated in the performance work statement for the period stated above at a fixed price of:

CLIN	DESCRIPTION	U/I	QTY	UNIT PRICE	EXTENDED PRICE
0001	Credit Card Services	Month	12	\$_____	\$_____

**Option Year IV**

**Performance Period: 1 October 2010 to 30 September 2011**

**Contractor shall comply with all terms and conditions as stated in the performance work statement for the period stated above at a fixed price of:**

CLIN	DESCRIPTION	U/I	QTY	UNIT PRICE	EXTENDED PRICE
0001	Credit Card Services	Month	12	\$_____	\$_____

**Option Year V**

**Performance Period: 1 October 2011 to 30 September 2012**

**Contractor shall comply with all terms and conditions as stated in the performance work statement for the period stated above at a fixed price of:**

CLIN	DESCRIPTION	U/I	QTY	UNIT PRICE	EXTENDED PRICE
0001	Credit Card Services	Month	12	\$_____	\$_____

(DESC 52.207-9F85)

- F. Solicitation Clause I.1.20-1, SOLICITATION PROVISION NUMBER E5 is revised to read E5.03.
- G. All documentation (including revised Clause B34.01) applicable to Amendment 0005 must be received by DESC no later than June 16, 2004, at 3:00 PM Fort Belvoir, VA Time.
- H. All other terms and conditions remain in full effect.